

Dear Shareholders:

Over the last few years, we have transformed Televisa into a diversified and integrated media, cable and satellite pay television services company, and this transformation has been and will continue to be the key to building a solid track record of growth and profitability. Throughout this process, our focus has been on creating further shareholder value.

We are a dynamic company with a strong foundation for continued growth

Today, Televisa is a unique company in the media, cable and satellite pay television industries. We are:

- A leading producer of Spanish-language content in Mexico and one of the largest in the world.
- A leading producer and distributor of networks for pay TV platforms in Mexico and one of the largest in Latin America.
- One of the main producers of Spanish-language content for U.S. Hispanic viewers, and a significant investor in Univision, the leading media company serving this market segment.
- One of the leading cable operators in Mexico and one of the fastest growing providers of voice and data services.
- One of the leading satellite pay TV system in the region.

Our 2015 results reflect what Televisa is accomplishing. Net sales increased 10 percent to 88 billion pesos, driven by gains in our Cable and Sky segments, both of which grew double-digit percentages during the year. On a consolidated basis, operating segment income increased 11 percent reaching close to 36 billion pesos, equivalent to a margin close to 40 percent.

We are reinforcing our content offering to reflect the changes in viewing habits, and we will continue to lead in the new media landscape

We pay close attention to the media and distribution sectors outside of Mexico. We watch how they evolve and how participants react. In terri-

ories like the U.S. and Europe, companies have focused their efforts on coping with the shift of consumer viewing habits. While these changes are occurring at a slower pace in Mexico, we are investing both in our content and in our distribution platforms to ensure that we continue to exceed the expectations of our viewers.

Among other initiatives, we are investing in strengthening our programming in our broadcast channels. Today, dramas account for only one third of the audiences we reach, with the balance being comedy shows, game shows, musicals, reality shows, sports, and news, among other genres. There is no question that our viewers have a growing number of choices, and competition is more intense every day. Therefore, we are working hard at improving the appeal of our current content offering and further developing our expertise in the production of content in other genres.

We continue to navigate challenges successfully—and they have only made us stronger

We have successfully addressed significant challenges in recent years, including changes to the regulatory landscape, a more intense competitive environment, and macroeconomic headwinds. These challenges have strengthened our business and shaped the company we are today. The restructuring of our advertising sales business, which we initiated in 2015, is no different. It is designed to improve the growth prospects for Televisa's content division and create further value for our shareholders over the long-term.

Through the restructuring, we repriced our advertising inventory, realigned rate cards and made adjustments to the business' leadership team and its mandate. The initial results indicate that Televisa's broadcast channels continue to be the most efficient and cost-effective advertising platform in Mexico.



This initiative is a priority. We expect it to be a multi-year process, and are grateful to our advertising customers for their continued partnership.

Sky, our direct-to-home operation, continues to exceed our expectations

Sky is a fantastic asset positioned for continued success. It has posted a compounded average growth in subscribers of 19 percent per year since 2010. Sky has exceeded our expectations every year since we launched our pre-paid pay TV offer, achieving solid growth in spite of a strong competitive environment.

Today, Sky has more subscribers than any other pay TV platform in Mexico, reaching 7.3 million subscribers by year end 2015. The prospects for Sky are bright. The bulk of its customer base is made up of an expanding middle class, which should continue to attain more affluence in the coming years. As a result of the investments Sky has made

7.3 million

Sky subscribers by year end 2015.



in satellite capacity and enhancement of its channel offering, it is well positioned to meet the needs of customers transitioning to premium package offering.

Televisa's Cable business is one of the most attractive cable stories worldwide

Over the last ten years we have invested heavily in improving Mexico's cable infrastructure, and we plan to continue doing so. As a result, today we have a network extending over 135 thousand km, 95 percent of which is bidirectional and 57 percent of which has a bandwidth of 1 GHz.

The tremendous success of our Cable business in Mexico has been ten years in the making—and our hard work has certainly paid off. In the last quarter alone, our voice services expanded at an organic rate of growth of 47 percent year-over-year. We now have a 9.2 percent share of voice subscribers in the country compared to just 3.7 percent in 2012. Our data services, where we have a 20.5 percent share, have expanded at an aver-

age rate of 25 percent organically over the last ten consecutive quarters. In 2015, we added organically 581 thousand new data customers. In video, our customer base continues to grow as well, adding organically 211 thousand customers in 2015, a growth rate of 6 percent.

Mexico has one of the most attractive cable sectors worldwide: household penetration of video and data services is low, at 56 percent and 48 percent respectively. Average data speeds are also low—only 4 megabits per second—but demand for faster data is rapidly developing in Mexico as consumers become more connected. Televisa is well positioned to capitalize on these opportunities over the long-term.

We have a unique relationship with Univision, the leading media company for U.S. Hispanic viewers.

We are proud of our partnership with Univision. We hold equity and warrants which, upon exercise and subject to regulatory approval, would represent approximately 36 percent economic interest in Univision on

a fully-diluted basis. Univision is a company with a differentiated story, a solid footing for continued growth, and a U.S. viewer base with a highly attractive demographic profile.

In addition to our equity and warrants in Univision, we receive a share of most of its audiovisual revenue in exchange for Univision's exclusive access in the U.S. to substantially all of the audiovisual content that we produce. For us, this is a valuable stream of dollar-denominated, U.S.-domiciled revenue under an agreement that generally can terminate only in circumstances controlled by Televisa. During 2015, we received U.S.\$311 million in royalties from Univision, double the amount we received five years ago. This revenue stream will continue to benefit Televisa, and we look forward to 2018 when the royalty rate will increase by approximately 38 percent of the current rate.

We are investing for the future to enhance shareholder value

During 2015 we invested U.S.\$1.6 billion in capital expenditures, including approximately U.S.\$1.1 billion in our Cable segment, U.S.\$362 million dollars in our Sky segment, and U.S.\$166 million in our Content segment and Other Businesses.

Our significant investments in our Cable segment are primarily focused on upgrading our cable plant and accommodating the explosive growth in customers. As Mexico is in a similar phase to that of U.S. in the early 2000s with regards to the cable industry, we are prioritizing investments in our cable infrastructure in the near-term in order to lay the groundwork for continued growth in the coming years.

ESG, an integral part of our business model

On the ESG front, I am happy to report that at Televisa sustainability is an integral part of our business model. As part of our commitment, we continue to manage corporate governance, social and environmental risks that could have an economic impact in order to protect the value of our brand and the company's and shareholders' interests, strengthen our performance and timely respond to the issues relevant to all of our stakeholders.

During 2015, once again we were selected to be part of the Sustainability Index of the Mexican Stock Exchange for 2016. Among other relevant ac-

tions, we have committed to join the United Nations Global Compact, the world's largest corporate sustainability initiative, and to make its Ten Principles part of our strategy and daily actions.

Thank you

This past year, we welcomed three highly regarded cable, media and entertainment industry executives to our Board of Directors: Jon Feltheimer, CEO of Lionsgate; Michael Fries, President and CEO of Liberty Global; and David Zaslav, President and CEO of Discovery Communications.

Our Board is composed of executives that are leaders in their fields and have an incredible amount of experience. During 2015, our Board engaged in productive and healthy exchanges, greatly benefitting Televisa through our Board members' insights. We are very thankful to all of them.

It is a privilege to be part of Televisa, and I would like to thank our team members for their hard work. At Televisa we have incredible passion for what we do, a willingness to embrace change with enthusiasm, the mission to deliver superior content, video, voice, and data services, and a strong commitment to do so in a manner that enhances shareholder value over the long-term.

I thank you all for being part of the Televisa story.

Emilio Azcárraga Jean
Chairman of the Board, President and CEO of Grupo Televisa

